

The Senate Insurance and Labor Committee offered the following substitute to SB 92:

A BILL TO BE ENTITLED
AN ACT

To amend Title 49 of the Official Code of Georgia Annotated, relating to social services, so as to convert Medicaid and the PeachCare for Kids Program funds to premium assistance to allow low-income families to participate in private sector health insurance plans; to provide for definitions; to provide for an amended state plan for Medicaid and PeachCare; to designate qualified health benefit plans; to provide for enrollment in a qualified health benefit plan; to provide for premium assistance; to provide for premiums and cost sharing; to provide for an individual incentive program; to provide for employer and group health plan requirements; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 49 of the Official Code of Georgia Annotated, relating to social services, is amended by adding a new chapter to read as follows:

"CHAPTER 11

49-11-1.

As used in this chapter, the term:

(1) 'Commissioner' means the commissioner of community health.

(2) 'Cost effective' means that the cost of the qualified group coverage meets the cost-effectiveness test requirements allowable under federal requirements under Title XIX or XXI of the federal Social Security Act.

(3) 'Department' means the Department of Community Health.

(4) 'Full benefit eligible individual' means an individual who meets the criteria established in Section 1937(a)(2)(C)(i) of the federal Social Security Act (42 U.S.C. Section 1396u-7).

(5) 'Insurer' means any person or organization subject to the authority of the Commissioner of Insurance that offers or issues one or more health benefit plans or insurance in the State of Georgia and includes an insurer, a hospital and medical services corporation, a fraternal benefit society, a health maintenance organization, and a multiple employer welfare arrangement.

(6) 'Medicaid state plan' means the state plan for medical assistance adopted and administered by the department pursuant to Code Section 49-4-142.

(7) 'PeachCare for Kids Program' means the state plan for the State Children's Health Insurance Program adopted and administered by the department pursuant to Code Section 49-5-273.

(8) 'Premium assistance subsidy' means payments on behalf of individuals under Title XIX or XXI of the federal Social Security Act consistent with federal requirements for the purchase of qualified group coverage.

(9) 'Qualified health benefit plan' means a group health plan, including health insurance coverage offered through an employer, that conforms with the requirements under federal law for the purposes of matching requirements under Title XIX or XXI of the federal Social Security Act.

(10) 'Self-funded health benefit plan' means a health benefit plan, not subject to regulation by the State of Georgia or any other state, that is paid in whole or in part by the employer from its own assets or from a funded welfare benefit plan, provided that such plan does not shift any risk or liability for benefit payments to an insurer, other than through reinsurance or stop-loss coverage.

49-11-2.

(a) The commissioner shall amend the Medicaid state plan:

(1) To establish a premium assistance subsidy program that provides the state with the maximum flexibility allowable under Title XIX of the federal Social Security Act, including, but not limited to, Sections 1906, 1906A, and 1925, to purchase qualified health benefit plans that the commissioner determines is cost effective;

(2) To adopt each of the benchmark benefit plans permitted under Section 1937(b)(1) of the federal Social Security Act (42 U.S.C. Section 1396u-7);

(3) To adopt the benchmark equivalent benefit plan permitted under Section 1937(b)(2) of the federal Social Security Act (42 U.S.C. Section 1396u-7); and

(4) To provide that in calculating the actuarial value of any benchmark equivalent plan, in accordance with the provisions of Section 1937(b)(3) of the federal Social Security Act (42 U.S.C. Section 1396u-7), the actuary shall apply the maximum cost sharing allowable

under Sections 1916 and 1916A of the federal Social Security Act (42 U.S.C. Section 1396o-1).

(b) The commissioner shall amend the PeachCare for Kids Program:

(1) To establish a premium assistance subsidy program that provides the state with the maximum flexibility allowable under Title XXI of the federal Social Security Act to purchase qualified health benefit plans that the commissioner determines is cost effective;

(2) To adopt each of the benchmark benefit plans permitted under Section 2103(a)(2) of the federal Social Security Act (42 U.S.C. Section 1397cc);

(3) To adopt the benchmark equivalent benefit permitted under Section 2103(a)(1) of the federal Social Security Act (42 U.S.C. Section 1397cc); and

(4) To provide that in calculating the actuarial value of any benchmark equivalent plan, in accordance with the provisions of Section 1937(b)(3) of the federal Social Security Act (42 U.S.C. Section 1396u-7), the actuary shall apply the maximum cost sharing allowable under Section 1916 and Section 1916A of the federal Social Security Act (42 U.S.C. Section 1396o-1).

49-11-3.

(a) The state shall provide for each targeted low-income child enrolled in a cost-effective qualified health benefit plan supplemental coverage consisting of:

(1) Items or services that are not covered, or are only partially covered, under the qualified employer sponsored coverage; and

(2) Cost-sharing protection.

(b) For purposes of carrying out paragraph (1) of subsection (a) of this Code section, the commissioner may elect to directly pay out-of-pocket expenditures for cost sharing imposed under the qualified employer sponsored coverage and collect or not collect all or any portion of such expenditures from the parent of the child.

(c) If a group health plan or health insurance coverage offered through an employer is certified by an actuary as health benefits coverage that is equivalent to the benefits coverage in a benchmark benefit plan described in Code Section 49-11-2 or benchmark equivalent coverage that meets the requirements of Code Section 49-11-2, the state may provide premium assistance subsidies for enrollment of targeted low-income children in such group health plan or health insurance coverage in the same manner as such subsidies are provided under this subsection for enrollment in qualified employer sponsored coverage but without regard to the requirement to provide supplemental coverage for benefits and cost-sharing protection as provided in subsection (a) of this Code section.

(d) The commissioner, in consultation with the Commissioner of Insurance, shall determine, from among all the health benefit plans offered or issued in the State of Georgia

by insurers, which plans meet the criteria of being either a benchmark benefit plan or a benchmark equivalent benefit plan.

(e) The commissioner shall establish procedures for determining, in cases where one or more eligible individuals are also eligible to enroll in a self-funded health benefit plan, whether the plan meets the criteria of being either a benchmark benefit plan or a benchmark equivalent benefit plan.

49-11-4.

(a) The commissioner shall utilize premium assistance to the maximum extent allowable to the state under Title XIX of the federal Social Security Act, including, but not limited to, the authorities under Section 1906, Section 1906A, and Section 1925 of such act and under Title XXI of such act.

(b) In the case of a household or family where more than one individual is eligible for benefits under either Medicaid or the PeachCare for Kids Program, whenever possible, the commissioner shall enroll all full benefit eligible individuals in the family or household in the same qualified health benefit plan.

(c) Individuals who are exempt from mandatory enrollment under the provisions of Section 1937(a)(2)(C)(ii) of the federal Social Security Act may elect to opt out of enrollment in a qualified health benefit plan in accordance with federal law.

49-11-5.

(a) The commissioner shall pay, on behalf of eligible individuals, the applicable individual or family premiums to entities that provide or sponsor qualified health benefit plans, including plans that are:

(1) Commercial health plans;

(2) Managed care organizations; or

(3) Employer sponsored health insurance plans.

(b) For reasons of administrative ease and program integrity, the commissioner may direct that premium assistance payments be made to one or more of the following:

(1) Eligible individuals;

(2) Insurers that issue qualified health benefit plans;

(3) Plan administrators of qualified self-funded health benefit plans; and

(4) One or more administrative agents designated by the commissioner.

49-11-6.

(a) The commissioner shall calculate the maximum allowable cost sharing for an eligible individual based on the individual's family or household gross income, including all earned and unearned income.

(b) Income and expense disregards applied in determining program eligibility shall not be applied in determining the maximum allowable cost sharing under subsection (a) of this Code section.

(c) In cases where an eligible individual enrolled in a qualified health benefit plan incurs cost sharing during a plan year in excess of the maximum allowable cost sharing, the commissioner shall pay to the plan or plan sponsor, on behalf of the individual, any cost sharing incurred by the individual under the terms of the plan that is in excess of the maximum allowable amount.

49-11-7.

(a) The commissioner shall establish an incentive program in which cost-sharing obligations may be reduced for individuals who participate in initiatives to improve health outcomes and lower health care costs.

(b) Incentive program activities may include, but are not limited to, appropriate immunizations, appropriate and cost-effective prescription drug utilization, self-management of chronic health conditions, and participation in quality improvement initiatives."

SECTION 2.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.